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Education Task Force

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EXPOSURE DRAFT

**UNIVERSITY EDUCATION
FOR
MANAGEMENT CONSULTING**

APRIL 23, 1977

**Prepared by the
MAS UNIVERSITY EDUCATION TASK FORCE**

**Approved for prepublication exposure by the
MANAGEMENT ADVISORY SERVICES (MAS)
EXECUTIVE COMMITTEE**

**Comments should be submitted no later than DECEMBER 31, 1977, to
Monroe S. Kuttner, Manager, MAS
American Institute of Certified Public Accountants
1211 Avenue of the Americas, New York, N.Y. 10036**

DISTRIBUTION OF EXPOSURE DRAFT

This exposure draft has been distributed to educators both within and outside the accounting field and to the following groups:

AICPA Council, Board of Directors, and all MAS Committees
and Task Forces

AICPA Education Committees

State CPA Society Presidents, MAS Committee Chairmen,
Education Committee Chairmen, and Executive Directors

Other Persons Interested in Commenting

Single copies are available on request.

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April 20, 1977

To Educators, MAS Practitioners,
Other CPAs, and Other Interested Parties:

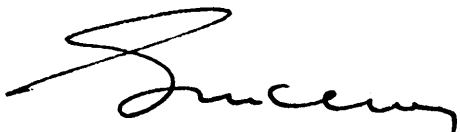
As chairman of the AICPA's Management Advisory Services (MAS) Division, I urge you to read the enclosed exposure draft, to comment on it—and to act on its recommendations if you believe they are appropriate.

The members of the MAS Division are eager to assist educators and practitioners in enhancing the preparation of students for management consulting. This draft suggests a number of approaches. We hope that its readers will refine and develop these approaches and originate others.

Please send your comments on this draft and requests for relevant information or assistance to

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Cordially,



Stanley R. Klion, Chairman
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PREFACE

The executive committee of the management advisory services (MAS) division of the American Institute of Certified Public Accountants (AICPA) has long recognized a need for educators and management consultants to work together to enhance the capability of university students to perform as management consultants or to use consulting skills upon graduation. The recent findings of an AICPA-commissioned study of management advisory services (management consulting) by CPAs have served to focus attention on this need.*

It appears that certain management consulting fundamentals, currently acquired through on-the-job experience or in courses given by employers, *can* be taught effectively at the university level. Such teaching could, in fact, provide a number of benefits to educators and students, as well as to the consulting profession. These benefits are described in this document, together with suggestions on how to achieve them.

Work on this document began when the AICPA established a task force to determine the skills and knowledge most needed by beginning MAS practitioners (management consultants in CPA firms) and to develop recommendations that would aid educational institutions in meeting those needs. The task force, composed of MAS practitioners and educators, jointly represents accounting, business, engineering, and science disciplines.

While the AICPA is concerned with management consulting as performed by CPA firms, the suggested learning objectives described in this document generally pertain to the application of consulting skills in many different environments, including business and government as well as consulting organizations. Clearly, assimilating the suggested learning objectives into programs offered to students majoring in accounting, business, engineering, science, and other subjects would tend to improve the overall management, analytical, and communications skills of graduates.

This document is intended for both educators and management consulting practitioners. It should help them to focus on what can be accomplished and encourage them to work together to achieve specific objectives.

The task force members realize that this document alone will not make it possible for accounting, business, engineering, science, and other educators to teach management consulting skills. It should, therefore, be supplemented by several kinds of assistance that practicing consultants and groups such as the AICPA can make available to educators and universities. Such assistance could include participation in the preparation of course outlines or instructional materials, workshops for educators, and internships for educators. In addition, service by consultants as visiting lecturers would provide an important interaction among faculty, students, and practitioners.

Conferences of educators and practitioners on university preparation of students for management consulting could provide forums for assessing the potential benefits and solving the possible problems involved in teaching management consulting skills and techniques. Such conferences could be initiated by either group but should include representatives of both groups to provide the needed dialogue.

The members of the AICPA's MAS University Education Task Force are

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* *Management Advisory Services by CPAs: A Study of Required Knowledge*, Edward L. Summers and Kenneth E. Knight (New York: AICPA, 1976).

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UNIVERSITY EDUCATION FOR MANAGEMENT CONSULTING

1. INTRODUCTION AND SUMMARY

Management consulting and the knowledge, skills, and techniques employed by management consultants should be an area of particular interest to educators today.

The field of management consulting is broad: many individuals who do not consider themselves to be management consultants nevertheless use the same skills, techniques, and knowledge to accomplish the same management goals and objectives. Such individuals in business include internal consultants, systems and methods specialists, top executives, and staff specialists in areas such as finance, accounting, marketing, and personnel. Similar individuals using the same skills are employed in federal, state, and local government (including those who work for governmental audit agencies), as well as in not-for-profit organizations, universities, and so forth.¹ Because these skills and techniques permeate so many business and governmental activities, knowledge of the fundamentals of management consulting would be useful to many university graduates, whether or not they enter the management consulting profession.

But what are universities and educators doing to familiarize accounting, business, engineering, and science students with consulting, or to prepare them for performing the work of a management consultant? Currently, very little. This is surprising, considering the appeal that management consulting holds for many students. It is considered to be one of the more "glamorous" careers, and it offers high earning potential. It may be that many universities do not teach subjects

oriented toward management consulting because they have not identified what can and should be taught.

This document identifies certain fundamental management consulting skills and techniques that can be taught in universities and provides corresponding illustrative learning objectives for these skills and techniques. Thus, this document is designed to help educators to incorporate management consulting teaching points into their programs. The MAS division hopes that the assimilation of these proposed objectives into university programs will result in graduates having greater knowledge of and interest in the management consulting profession. In turn, the profession will learn that students from certain universities are better equipped for consulting careers and will seek them out.

Educators who are or who become familiar with management consulting skills and techniques can do much to help not only their students but also their universities, the consulting profession, and themselves. This can be accomplished by

- Teaching consulting concepts perceived by students as practical and useful.
- Leading in the development of needed programs in this area.
- Developing personal consulting expertise.
- Interacting with professional management consultants.
- Developing needed publications and teaching materials.
- Enhancing the reputation of their colleges and universities with the business world.
- Strengthening relevant areas of curriculum and bringing together faculty to develop the needed multidisciplinary educational process.

While this document has been prepared under the auspices of the AICPA, its objectives are not limited to the education of accountants or those interested in becoming management consultants with CPA firms. Recent estimates indicate there are some 60,000 full-time management consultants in the United States, of whom only approximately 6,000 are with CPA firms. But there are hundreds of thousands of other professionals who are using management consulting skills and techniques in other careers.

Obviously, the AICPA has an interest in enhancing professionalism in management consulting since CPA firms and CPAs in industry and government are one of the largest single groups of professionals who use management consulting skills and techniques.² Other management and engineering consultants share this interest, as do business and government entities employing internal staff specialists to advise management. Even future line managers and executives in business and government have much to gain from mastering the basic consulting skills discussed in this document.

The consulting profession now desires, more than ever before, to obtain personnel directly from universities, but it has found that most graduates have had little or no exposure to management consulting knowledge and skills that could be available to students during their university studies. The AICPA's MAS Division believes that many

¹ Hereinafter, all these organizations will be referred to as "business and government."

² While there are only about 6,000 full-time management consultants in CPA firms, there are over 120,000 CPAs who use their expertise to advise management, whether they are members of CPA firms or are employed by a business or government.

educators would provide more on the subject of management consulting if they knew what the profession needed and how they could go about teaching it.

This document seeks to 1. Encourage educators to provide their students with appropriate knowledge of the management consulting profession, including the skills and techniques it employs and the career possibilities it offers. 2. Suggest relevant knowledge and skills that can be taught in the university. 3. Aid educators in transmitting such knowledge and skills.

Chapter 2 discusses the management consulting profession and describes the body of knowledge that underlies it. Chapters 3 and 4 describe selected knowledge and skill areas that appear to be needed by entry-level consultants, and are not covered in most university programs but are feasible for inclusion in them. The areas fall into two categories, as follows:

- A. The Consulting Process.
 1. Analytic elements.
 2. Administrative elements.
 3. Communicative elements.
- B. Factors Affecting the Application of Consulting Skills.
 1. Personal characteristics of successful management consultants.
 2. The unstructured nature of many problem situations.
 3. The multidisciplinary demands of many consulting engagements.
 4. The significance of specific industry expertise in consulting practice.
 5. The nature, size, and composition of the consulting profession.
 6. The management of a consulting practice.

The consulting process is discussed in chapter 3, along with suggested illustrative learning objectives. The factors affecting the application of consulting skills are discussed in chapter 4; although in contrast to chapter 3, specific learning objectives are not provided since the suggestions involve creating an awareness of the topics covered rather than any specific skill or

ability. The final chapter presents specific conclusions and recommendations.

2. THE MANAGEMENT CONSULTING PROFESSION

As the activities of business and government have become increasingly complex, executives have recognized that they cannot afford to maintain on a permanent basis the many types of specialized expertise required periodically to solve management problems and to plan for future activities. Because of this, accountants and attorneys have long provided business advice as part of their services to clients. It was not until the turn of the century, however, that individuals and groups organized specifically to provide management advice began to appear. Today, the term *management consultant* is a common one, used in many ways with many connotations. The management consultants referred to in this document are professionals with broad or specific expertise who use their skills to help solve management problems, to assist in the planning process, and to provide objectivity and perspective. Their services may be provided to a business, a governmental entity, or a nonprofit organization—from either within or outside the organization.

2.1 General Information

The educational backgrounds of professional management consultants are almost as diverse as the subjects taught in universities. For example, individuals trained in accounting, business, engineering, management science, computer science, behavioral science, or mathematics are frequently involved in management consulting activities.

Currently, there are approximately 3,000 management consulting firms in the United States. Some of these offer broad consulting services, while others limit their services to a single activity (for example, marketing, information processing, personnel management) or to a single category of client (for example, banking, retailing, garment trade, government, publishing).

Most professional management consultants in consulting or CPA firms begin as staff consultants and progress through various steps such as senior consultant, manager, and finally, partner, principal, director, or an equivalent title. Such consulting organizations may also have a staff or functional hierarchy based on geographic location, area of specialization, or both. There are also professional management consultants (including many educators) who provide their services as individuals rather than as members of firms.

Many who enter the consulting profession, either upon graduation or later, do not remain in consulting for the balance of their working careers. Most, however, appreciate the time spent as a consultant. A review of the backgrounds of senior executives with the "Fortune 500" would reveal a considerable number who were, at one time in their career, professional consultants. Management consulting plays such an important role in business and government today that students interested in management would benefit from some formal instruction on what consulting is and how professional consultants function.

2.2 The Management Consulting Body of Knowledge

Efforts to document a body of knowledge for management consulting were begun by the Association of Consulting Management Engineers (ACME) in 1957. That organization has since published a number of monographs. Other pertinent materials have been or are being prepared by other management consulting organizations, such as the Institutes of Management Consultants, in both the United States and Canada. Recently, two important publications have become available which should provide educators with valuable reference material. *Management Consulting—A Guide to the Profession* was edited by Milan Kubr and published in 1976 by the International Labour Office, Geneva, Switzerland. *Management Advisory Serv-*

ices by CPAs: A Study of Required Knowledge, by Professors Edward L. Summers and Kenneth E. Knight of the University of Texas at Austin, was published by the AICPA in 1976 and contains the results of a two-year study commissioned and supported by the AICPA.³

The MAS knowledge study is the most recent publication on the management consulting body of knowledge. While it is not the only way to structure the body of knowledge, the approach it takes is the most comprehensive available. The study identifies and documents three major areas of knowledge, namely

1. General knowledge, including the consulting art.
2. Knowledge of organizational functions and technical disciplines.
3. Knowledge of industry and the public sector.

These major areas are further divided into the component bodies of knowledge as shown in Exhibit 1. As the study indicated, they are not of equal significance in MAS practice, and no one consultant can be expected to master all the knowledge covered in the report. It is not a *common* body of knowledge, but an aggregate of the knowledge now in use by consultants in CPA firms.

2.3 Applying Consulting Knowledge

A professional management consultant must be able to blend the three areas of knowledge listed above. Consulting skill alone, technical/functional expertise alone, or industry/public sector knowledge alone is not enough. Indeed, while most management consultants begin as specialists in one area—such as finance, accounting, electronic data processing, management science, or human resources—most successful consultants go beyond that and acquire technical or functional expertise in a number of areas, because problem solving and

planning situations rarely have clear-cut causes or solutions within a single discipline. In addition, in-depth knowledge of a specific industry or sector often is the initial foundation for a consultant's expertise and practice.

The professional management consultant characteristically uses a multidisciplinary approach. He must be able to help meet his client's problem-solving or planning needs by bringing together and applying appropriate knowledge concepts. He must understand his client's organization and the environment in which it operates. He must be able to identify and bring together the technical disciplines that a client situation may require. And, last but not least, his general knowledge and skill in the consulting process must enable him to develop and communicate effective recommendations so that the client will be helped to make necessary decisions and to take appropriate actions.

3. THE CONSULTING PROCESS—SUGGESTED LEARNING OBJECTIVES

More recent university graduates than ever before are being employed by the consulting profession, and universities are already providing students with the required technical and functional expertise in their major subjects. However, there are other skills and knowledge that the universities can teach to help make graduates better candidates for consulting positions or for management positions of any kind.

From among these other areas, the task force selected three parts of the consulting process which appear to be needed by entry-level management consultants, which are not currently covered in most university programs, and which are feasible for inclusion in university programs. These are

1. The analytic and systems approaches to problem diagnosis, problem solving, and planning (analytic elements).
2. Planning and managing a consulting engagement (administrative elements).

3. Consultant/client communications (communicative elements).

These sets of elements relate to the body of knowledge entitled "General Knowledge, Including the Consulting Art" described in the MAS knowledge study.

The balance of this chapter describes and defines these three knowledge and skill areas in the consulting process. To help accomplish this, the chapter lists specific learning objectives that are designed to clarify, through illustration, the consulting process knowledge and skills most needed at the entry level. The objectives are based on concepts developed by Robert F. Mager: "An objective is a description of a performance you want learners to be able to exhibit before you consider them competent. An objective describes an intended *result* of instruction, rather than the *process* of instruction itself."⁴

In the context of any particular course or program, it may be that some of the learning objectives would not be included. The learning objectives serve only as illustrations, and there is no significance to the order in which they are listed. Furthermore, other equally valid objectives could be added to the list.

In preparing this document, consideration was given to developing an outline for a single course in management consulting or an entire management consulting curriculum. However, it soon became clear that in developing a program oriented toward management consulting, a university must consider how best to achieve the desired learning objectives within the framework of its existing programs and its present and future resources. To provide the utmost flexibility, this document states desired results in terms of representative and illustrative learning objectives so that universities, departments, or individual educators may decide how best to

³ Hereinafter, the publication will be referred to as the "MAS knowledge study."

⁴ Robert F. Mager, *Preparing Instructional Objectives*, 2nd ed. (Belmont, Calif.: Fearon Publishers, 1975) p. 5.

incorporate them in existing or planned educational programs. Many of the objectives may be accomplished by including additional material in existing courses or by shifting the emphasis in current material. It may ultimately be desirable for some universities to offer specific courses or curricula in management consulting that would cover these and other objectives.

3.1 Analytic Elements of the Consulting Process

The analytic elements of a consulting engagement may be viewed as a logical, systematic process similar to the concept of scientific methodology in the physical and biological sciences. This area of knowledge and skills is considered by many to be the most important for a professional consultant. The ability to analyze situations, diagnose and solve problems, and develop and implement plans is requisite for a professional management consultant. In the AICPA publication, *Statements on Management Advisory Services*, the analytic approach and process are described in part as typically involving

- Ascertaining the pertinent facts and circumstances.
- Seeking and identifying objectives.
- Defining the problem or opportunity for improvement.
- Evaluating and determining possible solutions.⁵

For most consulting engagements (that is, when a client hires a consultant for a specific study or project), the analytic approach and process provide a structure that the consultant will follow to produce the desired results for the client. An illustrative outline of the analytic elements of the consulting process is shown in Exhibit 2.

3.1.1 Learning Objectives: The Analytic Elements

- Be able to state and explain

⁵ *Statements on Management Advisory Services* (New York: AICPA, 1974), p. 1.

the steps involved in the analytic approach to problem solving.

- Given the size, location, and industry affiliation of a potential client company, be able to state sources and kinds of information that could be acquired from public reference materials about the organization, its finances, its products, and its personnel.
- Given a description of the client's problem and specific preliminary information about the client, be able to identify the key additional information to secure before proceeding with the engagement.
- Given a case study, be able to select the key problem(s) for solution from among a number of lesser problems and to give reasons for the selection.
- Be able to identify the major data-gathering techniques and to explain the principal advantages and disadvantages of each.
- Given a hypothetical client situation, be able to select an appropriate data-gathering technique and to describe how it will be used.
- Given a narrative description of a client situation, be able to distinguish between apparent problems and symptoms of those problems.

3.2 Administrative Elements of the Consulting Process

A consulting engagement or project, regardless of its technical nature, requires sound and effective managing if the engagement is to accomplish its objective. Even though an entry-level management consultant may not be managing an engagement for some time after entry, knowledge of the administrative aspects can be of great value to him from the start. Furthermore, the learning objectives related to this area of knowledge will prove valuable to anyone who is called upon to organize and control a team effort to complete a project.

As described in the MAS knowledge study, administrative activities

in most consulting engagements are related to the following:

- A. Engagement proposal and planning
 1. Contents of the proposal and letter of understanding.
 2. Tasks or phases of the engagement.
 3. Estimated timing for achieving tasks or phases.
 4. Allocation of professional staff to tasks or phases.
 5. Estimating engagement costs.
- B. Engagement management
 1. Interactions with client personnel.
 2. Adherence to the engagement plan.
 3. Punctuality.
 4. Progress reports.
 5. Knowledge of current status of the engagement.
 6. Work in the client's office.
 7. Unproductive time.
 8. Control of out-of-pocket expenses.
 9. Evaluation of staff on engagement.
 10. Working papers.
- C. Final report and engagement evaluation
 1. Final reporting.
 2. Documentation and support for conclusions.
 3. Oral and written reports.
 4. Engagement performance and significance evaluation.⁶

An illustrative outline of the administrative elements of the consulting process is shown in Exhibit 3.

3.2.1 Learning Objectives: The Administrative Elements

1. Engagement proposal and planning.
 - Given the information required to prepare a proposal and an engagement plan, be able to prepare the proposal and plan.
 - Be able to describe the process of offering man-

⁶ *Management Advisory Services by CPAs*, p. 89.

agement consulting services—from the initial contact, through diagnosis, to proposal presentation.

- Given an actual situation (field problem), be able to perform a preliminary survey and document the findings.
 - Given a case history related to the student's technical field of study, and given a diagnosis of the problem(s), be able to develop a proposal that is responsive to the needs discovered.
 - Be able to state and explain the *general* goals for *any* consulting engagement.
 - Given a set of circumstances, be able to identify the type and depth of functional and technical skills needed to staff an engagement and to develop appropriate work assignments and an engagement schedule.
 - Given an engagement schedule, staff assignments, and billing rates, be able to develop an engagement budget and fee estimate.
 - Given a case history in which client personnel are to be involved in the engagement, be able to develop a plan for their use, including appropriate controls, constraints, and communications.
 - Given an engagement objective, be able to explain how the proposal is likely to differ if the client is a large business, a small business, or a public sector agency.
2. Engagement management.
- Be able to describe the significant aspects of engagement control from both the consultant and client points of view.
 - Given a case history, a proposal, and appropriate information, be able to develop a detailed engagement work plan.
- Given the objectives and scope of an engagement, be able to list and explain the stages or phases of the work schedule and why each is required.
 - Be able to identify several methods of controlling the quality of an engagement.
 - Given a case history at mid-engagement, be able to describe what had been done and what is still needed to successfully complete the work.
 - Given a case history depicting a failure in consultant/client communications, be able to formulate a detailed plan to restore the client relationship.
 - Be able to state the major reasons for maintaining working papers.
 - Be able to identify information that should and should not become part of a permanent engagement working paper file.
 - Given an engagement situation in which a staff consultant's performance appears to be unsatisfactory at mid-engagement, be able to describe what steps should be taken.
 - Given a description of a consultant's performance during an engagement, be able to evaluate that performance.
3. Final report and engagement evaluation.
- Be able to organize information on an engagement's background, methodology, findings, and recommendations into an effective engagement report structure.
 - Given a case study, be able to identify the factual elements and recommendations that should be included in the final report.
 - Be able to describe the components of a follow-up plan to maintain a client relationship upon successful completion of a consulting engagement.

3.3 Communicative Elements of the Consulting Process

No matter how well the consultant uses functional and technical skills or how well he systematically analyzes and helps solve the client's problems, ineffective communication, either during or at the end of a consulting engagement, will often impair the implementation of the consultant's recommendations. Accordingly, one may legitimately view the consulting process as a communicative process.

Consultants, in particular, require highly developed communications skills. As stated in the MAS knowledge study:

Communication proficiency is essential to the consulting process in which . . . professionals transfer knowledge, promote change, and otherwise utilize information's effects on other persons to achieve agreed-on beneficial objectives. This proficiency is required in collecting input, developing recommendations, and later in implementing these recommendations. In addition, communication proficiency is essential in practice management and development.⁷

An illustrative outline of the communicative elements of the consulting process is shown in Exhibit 4.

3.3.1 Learning Objectives: The Communicative Elements

- Given a description of an engagement or practice administration situation, be able to identify appropriate channels and methods of communication.
- Be able to identify and list key communication needs relating to information gathering and engagement conduct.
- Be able to identify work stages or occasions that may require special communications efforts with client personnel, your firm, or your staff.
- Be able to listen attentively during interviews and conversations, as evidenced by

⁷ *Management Advisory Services by CPAs*, p. 87.

making appropriate notes pinpointing key facts and relevant conditions.

- Be able to conduct a conference with a number of client personnel or with your own staff.
- Be able to prepare the primary written materials that are important to a consulting engagement, such as proposal letters and reports.
- Be able to conduct an interview to determine an individual's duties and responsibilities and to prepare appropriate documentation from rough interview notes.
- Given a description (goals, scope, work plan, time schedules, personalities, background history, and so forth) of an engagement, be able to identify the following: key sources of information among the client personnel, key sources of approval among the client personnel, supporters, and critics of the engagement, people who will be affected by the engagement's results, and intermediaries who can help in the communication process.
- Be able to prepare a short statement of your firm's and your own qualifications for a specific engagement.
- Be able to identify and discuss the timing, scope, and function of written and oral communications that should occur between acceptance of a proposal and delivery of a final report.
- Be able to identify client expectations and needs through interviews, informal discussions, and letters.
- Given a hypothetical client situation, be able to describe how objectivity should be displayed in all communications.
- Be able to identify primary, secondary, and tertiary audiences for engagement communications (written and oral) and to explain how their expectations, needs, and reactions may differ.
- Given a case history and the consultant's recommendations, be able to prepare and deliver

an oral report, selecting and utilizing appropriate audio-visual media.

4. FACTORS AFFECTING THE APPLICATION OF CONSULTING SKILLS

This chapter describes certain less technical aspects of consulting that the student should recognize—first, in order to make an intelligent career choice, and second, to start on a successful career that entails the use of consulting skills. The purpose is to convey to the student an awareness rather than to develop specific abilities. The factors affecting the application of consulting skills include the following:

1. Personal characteristics of successful management consultants.
2. The unstructured nature of many problem situations.
3. The multidisciplinary demands of many consulting engagements.
4. The significance of specific industry expertise in consulting practice.
5. The nature, size, and composition of the consulting profession.
6. The management of a consulting practice.

4.1 Personal Characteristics of Successful Management Consultants

If what has often been labeled the consulting "art" was instead a consulting "science," any student could learn the basic precepts, follow given formulas, and operate as a successful consultant. Obviously, this is not the case. In addition to learning to use certain management consulting tools and techniques, the successful consultant must blend certain personal characteristics to produce the ability to⁸

- Establish a relationship of confidence with a client.
- Establish two-way communication with clients and also with colleagues who can bring other essential skills to bear on the engagement.

- Assimilate information rapidly.
- Be persuasive and influential in areas important to the execution of the engagement.
- Change from one client's problems to another's quickly and without mental slippage; remember details.
- Know one's own limitations as well as those of others and quickly correct or adjust for them in the engagement.
- Develop additional skills and specializations as needed and recognize and utilize skills in others.
- Accept professional or personal criticism, whether fair or unfair, without feeling threatened, and deliver criticism constructively.
- Develop new clients and engagements.

Many highly competent individuals will find that their personality and life style preferences are not consistent with the rigors and requirements of a management consulting career, while others will recognize in management consulting a unique challenge and opportunity for which they are well suited.

4.2 The Unstructured Nature of Many Problem Situations

A management consultant's recommendations are of value to his client only if their utility is recognized and they are adopted and implemented. A university education for management consulting, therefore, would prove more effective if graduates have undergone a learning process that simulates practical experience, such as:

- Engagements in which the fact-finding process is much more difficult than merely determining the appropriate solution once the facts are known.
- Clients whose preconceived notions, biases, or ambitions lead them to reject the best solution and insist upon the development of an *acceptable* solution.
- Problems for which there is no standard solution—especially

⁸ Based primarily on *Management Advisory Services by CPAs*, p. 32.

because there are unusual time and financial (or other) constraints.

4.3 The Multidisciplinary Demands of Many Consulting Engagements

Invariably, a consultant has strengths and weaknesses in terms of technical, functional, sector, and consulting process knowledge. A consulting engagement will require the application of knowledge from a number of fields outside the consultant's particular speciality, and the ability to consult using an "interdisciplinary" perspective is crucial here. Analyses and solutions are often necessarily forged from the approaches and techniques of more than one discipline.

The consultant must be able to apply a multidisciplinary viewpoint to the problem, seek assistance when needed, and work as a team member with specialists in other disciplines. This requires adopting an attitude toward consulting engagements that questions the single-discipline perspective solution. A single-discipline approach will seldom produce the "best" solution to a consulting problem.

4.4 The Significance of Specific Industry Expertise in Consulting Practice

Individual industries and public or not-for-profit sectors often have their own vocabularies, must adhere to specific regulatory rules, and follow unique practices and procedures. These factors reduce the consultant's ability to rely on standardized approaches and solutions.

Thus the consultant who possesses the appropriate industry or sector knowledge may, in the eyes of a potential client, have a significant advantage over other consultants—not because the other consultants could not perform a specific engagement requiring such knowledge, but because they must acquire the appropriate industry or sector knowledge *during* the engagement.

Students must be given an understanding of the value of industry

and sector knowledge. They may find, however, that such knowledge is more often and more easily acquired on the job than at a university.

4.5 The Nature, Size, and Composition of the Consulting Profession

Knowledge of the consulting profession will be of value not only to those who enter it but also to any student who seeks to become an executive or manager in business or government. Most students will almost surely be dealing with management consultants at some point in their careers, and knowledge of how professional firms operate may prove useful.

This knowledge includes the following:

1. Professional ethics, the advisory role of the management consultant, and legal liability.
2. Professional practices in management consulting.
3. Types of consulting engagements.
4. Kinds of consulting organizations.

Further information on these subjects can be found by referring to the general knowledge and consulting art concepts section of the MAS knowledge study (see pages 83-89). A number of relevant publications of the AICPA and the Association for Consulting Management Engineers (ACME) are listed as references on those pages. The subjects are also covered extensively in *Management Consulting—A Guide to the Profession*.

4.6 The Management of a Consulting Practice

A graduate seeking to start his career as a management consultant should have some familiarity with the techniques of practice management and practice development. This will help him to develop a rapport with prospective employers, evaluate their respective managerial objectives and philosophies, and expedite his orientation to the consulting environment. Practice man-

agement responsibilities include those described in section 3.2 under administrative elements of the consulting process, but also are concerned with broader aspects of practice development, such as the establishment of the consulting organization's goals, policies and structure, areas for expansion of services, recruitment and training of personnel, and similar matters.

4.7 Teaching Students About Factors Affecting Management Consulting

All six of the above factors are relevant to the practice of management consulting. For example, knowing that solving a client problem using a standardized approach is probably the exception rather than the rule gives a student a clearer perspective. Students who learn how to proceed when faced with the unstructured situations illustrated earlier will be much better prepared for consulting and the business world in general. These factors are difficult to teach and are particularly difficult to deal with in the classroom.

Some universities are already providing students with an awareness of these issues using techniques and broad objectives such as the following:

- Involvement in out-of-class situations with the cooperation of local business and government. This would include plant tours, executive interviews, field problems, and so forth.
- Use of case studies and role-playing experiences in class, particularly those using unstructured situations, where the problem is not identified, multiple solutions are possible, and required data is not readily available.
- Development of an understanding of fundamental differences and similarities between various industries, government, and not-for-profit organizations.
- Emphasis on recognizing and solving problems which require the application of expertise in multiple disciplines.

The task force is convinced that more research, creativity, and experimentation are required, and that direct contact between educators and practicing management consultants will expedite the development of more effective teaching methods and materials in this area of education.

5. CONCLUSIONS AND RECOMMENDATIONS

In developing the preceding material, the educators and MAS practitioners serving on the AICPA's MAS University Education Task Force agreed on the following tenets:

- Universities can play a far more significant role in the preparation of students for management consulting.
- Topics oriented toward management consulting can be added to existing university programs or courses to benefit graduates entering industry, government, or consulting, and their employers.
- Interested deans, department chairmen, and professors should work with each other and with practicing consultants or appropriate organizations, such as the MAS Division of the AICPA, to explore how the learning objectives illustrated in chapter 3 might be introduced into their university programs.
- Individuals with course- or curriculum-planning responsibilities and appropriate officers of the various associations of educators should consider initiating or attending practitioner/educator workshops and symposia on consulting education.
- Practicing consultants, their employers, and associations of consultants should work with universities to help develop consulting-oriented programs, to make materials and guest lecturers available, and to recruit graduates. They should also provide consulting workshops and internships for educators.

There is much to be gained by all concerned if management consulting-oriented materials and programs are introduced into the universities:

Student Benefits

- Knowledge of another career path for those majoring in accounting, business, engineering, science, and other subjects.
- Acquisition of skills and techniques that will be valuable in both entry-level and subsequent management consulting positions.
- Development of management consulting skills useful in many occupations.

Educator Benefits

- An opportunity to lead in the development of needed programs, publications, and teaching materials in this area.
- Development of personal consulting expertise.
- Opportunities to interact with professional management consultants.

University Benefits

- An enhanced reputation with the business community and the consulting profession.
- Strengthened curriculum development and closer faculty ties because of the multidisciplinary nature of management consulting.

Management Consulting Profession Benefits

- Increased professionalism among those who seek consulting careers.
- More rapid assimilation of graduates into management consulting activities.
- Broader recognition of the role of the management consultant in today's society.

Consulting is a rapidly growing field and students should know that it is a possible alternative career for those majoring in a wide variety of fields. In addition, three to five years of consulting experience has proven to be an excellent springboard to top management positions within major corporations.

A consulting career normally requires the acquisition of specialized

expertise in one or more functional or technical areas. The specialist has replaced the generalist in most of today's business world, but not in the consulting profession. The consultant must be conversant with many technical areas if he is to serve his client well. One of his major functions is to provide an objective overview of problems, devoid of the specialist's parochialism. Management consultants may begin as specialists in one area, such as finance, accounting, electronic data processing, management science, or personnel management and subsequently acquire knowledge and skills in several other disciplines.

Whenever possible, university programs and instruction should further foster a multidisciplinary outlook. Departmental cooperation in a university may make it possible to encourage supplemental studies. For example, the accounting major may study behavioral science, or the computer science major may study personnel management, or the math major may study accounting, thus shortening the post-graduation learning process.

In developing a management consulting-oriented program a university must consider how best to achieve the desired learning objectives within the framework of its existing programs and its present and future resources. Ultimately, some educational institutions will develop and offer specific courses or curricula in management consulting. Alternatively, many of the learning objectives suggested in this document can be attained by simply revising or expanding the content of courses currently offered.

While appropriate books on the consulting profession have recently become available, much material is especially needed, for example, on the problem diagnosis, problem solving, and planning skills. Particularly because of this gap, teachers of topics relating to management consulting will find it useful and usually necessary to draw upon the consulting profession for materials and for visiting lecturers. Therefore, those who will teach management consulting-oriented subjects should have ready contact

with the business and consulting communities. These contacts would also enable them to seek the cooperation of local business and governmental organizations in arranging for the students to research and solve field problems (for example, working with the U.S. Small Business Administration's Small Business Institute).⁸

A few universities are already

teaching consulting-oriented subjects and have drawn upon members of the MAS Division and others to serve as guest lecturers and assist in program development. It is hoped that this document and the two recent publications on management consulting, *Management Advisory Services by CPAs* and *Management Consulting—A Guide to the Profession*, will encourage many universities to add the needed consulting-oriented content to their programs.

The MAS Division of the AICPA recognizes that educators may require assistance in interpreting the needs of the consulting profession and implementing changes in courses and curricula designed to meet those needs. Many of the MAS Division's individual members and the CPA firms with which they are associated are eager to provide such assistance. Interested educators should feel free to contact the MAS Division of the AICPA for further information.

⁸ See, *Wall Street Journal*, Tuesday, January 4, 1977, p. 34.

EXHIBIT I

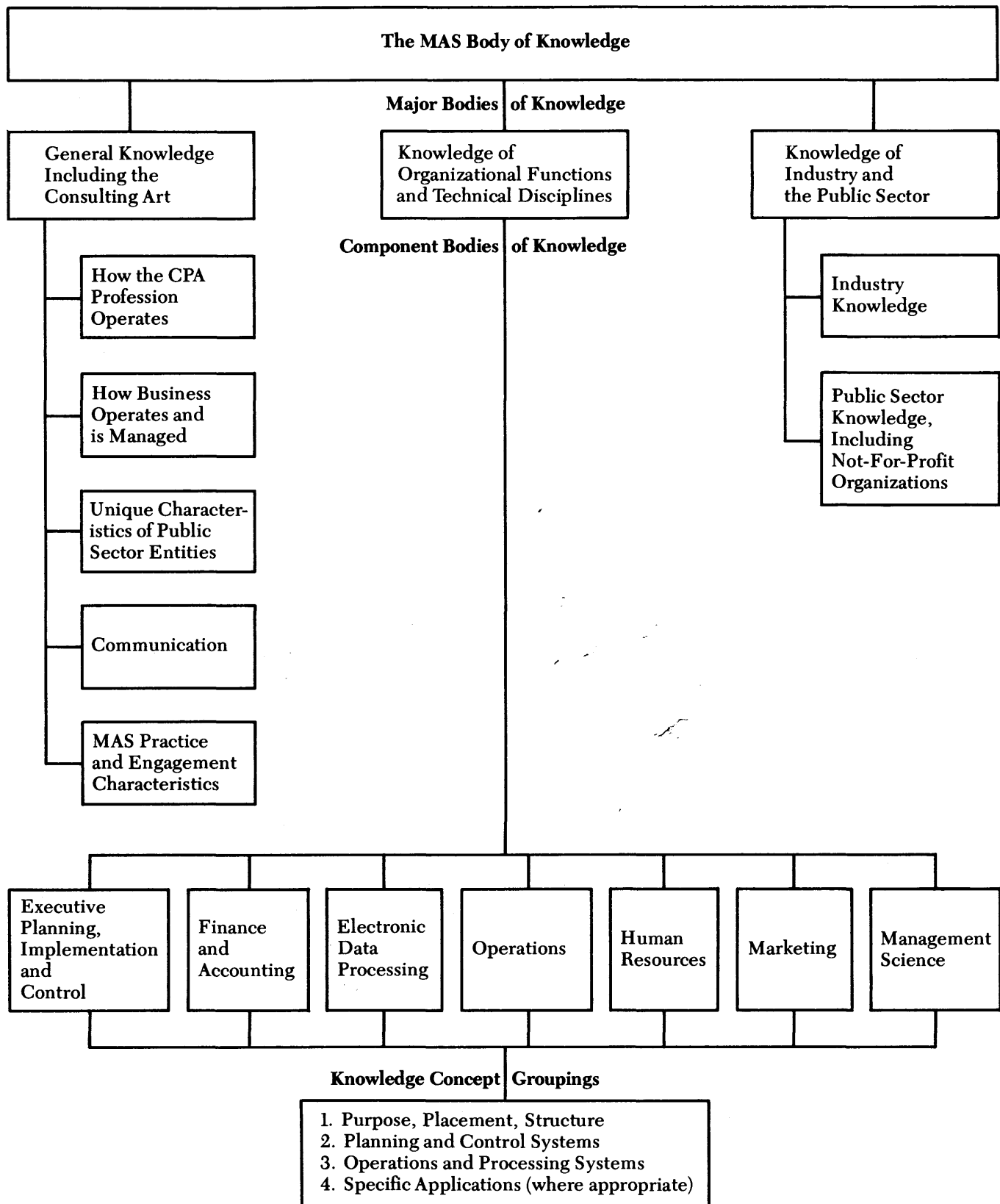
THE MAS BODY OF KNOWLEDGE

EXHIBIT 2

**AN ILLUSTRATIVE OUTLINE OF THE ANALYTIC
ELEMENTS OF THE CONSULTING PROCESS****A. Situation Orientation Elements**

1. Seeking and identifying client objectives.
2. Determining the objective and scope of the engagement.

B. Fact Finding Elements

1. Determining areas for investigation.
2. Selecting kinds of data required.
3. Locating sources of required data.
4. Selecting and applying data collection techniques.

C. Problem Diagnosis (Fact Analysis) Elements

1. Determining causal relationships.
2. Identifying key variables.
3. Discovering the problem(s).

D. Problem Solution Elements

1. Developing alternative solutions.
2. Evaluating alternative solutions.
3. Recommending a solution for implementation.

EXHIBIT 3

**AN ILLUSTRATIVE OUTLINE OF THE ADMINISTRATIVE
ELEMENTS OF THE CONSULTING PROCESS****A. Pre-Analytic Elements**

1. Initiating contact with a potential client.
 - a. Motivating the potential client.
 - b. Performing a preliminary survey.
2. Preparing the engagement proposal.
 - a. Developing the scope.
 - b. Developing cost and schedule data.
 - c. Describing the output of the engagement.
3. Preparing an engagement work plan.
 - a. Identifying, sequencing, and scheduling the work steps (tasks).
 - b. Estimating time requirements by task.
 - c. Identifying staff skill requirements and assigning individuals.

B. Engagement Management Elements

1. Establishing engagement checkpoints.
 - a. Progress reporting requirements.
 - b. Decision point identification.
2. Monitoring the engagement.
 - a. Tracking adherence to the schedule.
 - b. Evaluating staff performance.
3. Documenting the engagement.
 - a. Preparing and filing working papers.
 - b. Preparing agreed upon communications (e.g., letters, reports).
4. Providing implementation support.
 - a. Preparing implementation plans.
 - b. Monitoring implementation progress.

C. Engagement Follow-Up Elements

1. Evaluating engagement performance.
 - a. Reviewing the conduct of the engagement as documented.
 - b. Analyzing the results of the engagement as reported by the client.
2. Performing additional work.
 - a. Conducting follow-up tasks relating to the engagement.
 - b. Securing extensions, supplements, or work unrelated to the original engagement.

EXHIBIT 4

**AN ILLUSTRATIVE OUTLINE OF THE COMMUNICATIVE
ELEMENTS OF THE CONSULTING PROCESS****A. Information Collection Elements**

1. Meeting client executives to secure background data and impressions.
2. Interviewing client personnel to gather facts.
3. Discussing findings with other consultants assigned to the engagement.

B. Information Communication Elements

1. Preparing letters, proposals, and reports in writing.
2. Presenting oral plans, findings, proposals, and reports.
 - a. To individuals.
 - b. To groups.

C. Elements Relating to the Effect of Communications on Others

1. Transmitting the required message in a manner most likely to produce the desired result.
2. Determining who should be communicated with, at what times, and for what purposes in order to enhance the conduct of the engagement and the acceptance of the recommendations.
3. Understanding implied messages or motives.

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